

scanning a barcode of the items to be ordered; and
selecting a quantity for each item ordered.

48. (New) The method of claim 47 further comprising:

returning at least one item by generating a return list by scanning the item to be returned
and associating the item with a quantity to be returned; and

sending the returns list to a distribution center, the orders being originally received at the
distribution center.

49. (New) The method of claim 48 further comprising:

creating a retail record which associates the item with a price of the item;

electronically identifying the item;

modifying the price of the item; and

transferring the retail record to the distribution center.

50. (New) The method of claim 49 further comprising:

selecting a preload option on a distribution device wherein the container barcode is electronically
identified as the container is loaded onto a transport device thereby verifying that the container
and the items therein are loaded onto the transport device.

II. REMARKS

Claims 1 - 26 are pending.

Claims 1 - 16 are withdrawn from consideration.

Claims 27 – 50 are newly added.

The Office Action rejected claims 17 – 26. Applicants respectfully request reconsideration of the claims in light of the arguments made below. The Examiner's comments from the Office Action are reprinted below in 10-point bold type and are followed by Applicants' remarks.

A. Election/Restrictions

1. Applicant's election without traverse of Invention II in Paper No. 9 is acknowledged.

2. Claims 1-16 are withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected invention, there being no allowable generic or linking claim. Election was made without traverse in Paper No. 9.

Applicants acknowledge the Examiner's statement regarding Applicants' election.

B. Claim Rejections - 35 U.S.C. § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 17-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Critelli et al. alone.

With regard to claim 17, Critelli discloses a method for distributing a plurality of items to a customer (see abstract) that includes the steps of placing the items in a shipping unit (11, Fig. 1, col. 2 line 50+), placing a label (18, Fig. 2) having a unique identifier on the shipping unit (col. 2 line 61+, col. 3 line 1+), creating a shipment record identifying the unit by the identifier and listing the items within the unit (col. 3 line 28+, col. 4 line 27+), sending and delivering the shipping unit to the customer (abstract, col. 4 line 49+), receiving the shipping unit by the customer, and identifying the shipping unit by the customer by electronically reading the identifier on the label (col. 4 line 50+, col. 5 line 1+). With regard to claim 18, the contents of the shipping unit are verified using the listing of items on the shipping record (col. 5 line 2+, abstract). With regard to claim 19, it is not explicitly stated that discrepancies between the shipping unit contents and the shipping record are electronically recorded, however, in the case of discrepancies the customer would not agree to the information on the shipping record (col. 5 line 4+) and some record would be made of this, electronic or otherwise, as this is common practice. With regard to claims 20 and 21, delivery and receipt records are created by electronically reading the identifier (col. 4 line 49+, col. 5 line 1+). It is not explicitly stated that discrepancies between the shipping unit contents and the shipping record are recorded, however, in the case of discrepancies the customer would not agree to the information on the shipping record (col. 5 line 4+) and some record would be made of this. With regard to claim 22, the identifier is a barcode (col. 2 line 60). With regard to claim 23, the shipment record is stored on a personal computer (col. 4 line 1+, see Fig. 5). With regard to claims 24 and 25, the customer's signature and the time of delivery are electronically captured (col. 5 line 1+).

The Applicants respectfully submit that Critelli et al. does not render Applicants' claims obvious.

The Office Action states that claims 17-26 were rejected under 35 U.S.C. 103(a) as being unpatentable over Critelli. The Applicants respectfully submit that the Office Action has failed to establish a *prima facie* case of obviousness, and therefore, the rejection is improper.

The Applicants point out that establishment of a *prima facie* case of obviousness requires 1) that there be some suggestion or motivation to modify the reference or to combine reference teachings; 2) that there be some reasonable expectation of success; and 3) that the references individually or in combination teach or suggest ***all the claim limitations***. M.P.E.P. § 2142.

But, for example, the Office Action is completely silent regarding at least one limitation present in claim 17: that of “sending said shipment record to said customer.” As claimed, the shipment record identifies the shipping unit by the identifier and lists the items within the shipping unit. The shipment record is then sent to the customer. The Office Action entirely fails to mention this limitation. As the Office Action on its face fails to state how the Patent Office believes that this limitation is taught by the prior art, a *prima facie* case of obviousness has not been established and this rejection should be withdrawn.

Additionally, Applicants point out that Critelli fails to disclose, suggest, or teach this, and other, limitations of claim 17.

As described and claimed by Applicants, by sending the shipment record to the customer, the customer may receive the shipment record independently from the receipt of either shipping unit or the items within the shipping unit. Thus, the customer may identify that the items present on the shipping record (i.e. items which are destined to be sent to the customer) correspond to the items actually delivered to the customer, by electronically identifying the shipping unit received by the customer.

In contrast (and as explained further *infra.*), Critelli creates no shipment record (identifying the shipping unit and listing the items with the shipping unit) at all. Further, as no shipment record is created, no shipment record is sent to the customer. Thus, Critelli fails to disclose, suggest or teach the sending of the shipment record to the customer.

Critelli fails to disclose, teach, or suggest another limitation of claim 17: that of “creating a shipment record identifying said shipping unit by said identifier and listing said items within said shipping unit, said shipment record associating said identifier with said listing of said items within said shipping unit.”

The Office Action states that this limitation is met by Critelli. *See Office Action*, pp. 2 –3 (“creating a shipment record identifying the unit by the identifier and listing the items within the unit (col. 3 28+, col. 4 line 27+)”).

However, these passages of Critelli disclose:

FIG. 3 is a drawing showing the cross section of frangible electronic circuit 19 that is affixed to the material contained within sealed container 11. . . . FIG. 4 is a drawing in block form showing the electronic components included in layer 24 of electronic circuit 19. As shown, layer 24 includes a processing unit or controller 40, a read/write memory 42 for storing the serial number or other identifying characteristics of the materials contained within sealed container 11 (FIGS. 1 and 2). . . . Display unit 26 is used to produce visible markings that uniquely identify the materials contained within sealed container.

Critelli, col. 3, ll. 10-54;

FIG. 6 is a drawing in block form of reading, storage and printing device 60 that is used: to read the information transmitted by layer 24 of circuit 19; to read information appearing on container 11; and to compose a delivery receipt 71 (FIG. 7) that may be signed by the addressee recipient of sealed container 11.

Critelli, col. 4, ll. 25-30

Critelli’s electronic circuit 19 is thus a circuit that is affixed to the item, which may contain text identifying the item. However, Critelli fails to disclose the creating of a shipment

record, which associates the identifier on the container with the items in the unit.

Critelli further discloses a container 11 which contains a U.S.P.S. Information-Based Indicia (IBI) and a special services receipt requested symbol 37. The indicia 18 does not identify the contents within the container 11; rather, the indicia 18 contains other information besides identification of the container's contents, such as the dollar amount 33 of the postage, the date 17, that the postal indicia was affixed to the container 11, the place 34 that container 11 was mailed, the postal security device serial number 35, the class of mail 14, and FIM code 16 and a 2D encrypted bar code 36. *See Critelli*, col. 2, l. 65 – col. 3, l. 5. When the barcode is later scanned, only the information contained in the IBI (listed above) is obtained, not the identification of the item inside the container. *See id.*, col. 4, ll. 49-55. The barcode thus never creates a shipment record that associates the contents of the container with the container itself.

It is the frangible electronic circuit 19 that is affixed to the material contained within sealed container 11 – which is capable of identifying the material/item within the container, based on information stored for the materials contained within the container. *See id.*, col. 3, ll. 11-13 and ll. 27-33. However, the frangible electronic circuit cannot identify the container into which the material is placed: the frangible electronic circuit can only identify the contents within the container.

In Critelli, each of the bar code and the electronic circuit are independently read (and by differing means, i.e. one by a scanner and one by an RF device). *See, e.g., Critelli*, col. 4, ll. 48-63. No list is generated by Critelli which identifies the items within a given container. Thus, Critelli fails to disclose, suggest, or teach the limitation of creating a shipment record.

Additionally, in an effort to more particularly point out the claimed invention, claim 17 has been amended to include the phrase: “the shipment record associating the identifier with the

items within the shipping unit.” Again, as stated above, Critelli fails to create a shipment record, which associates the identifier on the shipping unit with the items within the shipping unit. This amendment is proper, i.e. no new matter is being inserted into the specification, as the specification as originally filed supports the amendment. *See, e.g.*, Original Application, p. 5, l. 25 - 6, ll. 1-8.

Further, in an effort to more particularly point out the claimed invention, and without amending the claims to overcome any bar to patentability, Applicants amended claims 17 - 19, to refer to the “shipment record” as opposed to the “shipping record.”

Critelli also fails to disclose that the shipping unit is ever identified *by the customer*, as required by claim 17. Per Critelli, “the *postal carrier or courier* activates radio frequency transmitter 63 so that the information stored in memories 42 and 44 (FIG. 4) will be received by radio frequency receiver 64. The received information about the contents of the material sealed within container 11 is transmitted to memory 70.” (Critelli, col. 4, ll. 55-60) (emphasis added). Thus, it is the deliverer, not the recipient as required by claim 17, who identifies the contents of the Critelli container. Additionally, as stated above, Critelli fails to disclose, teach, or suggest the creation and sending of the shipment record to the customer; without a shipment record, the recipient of Critelli cannot utilize such shipment record to identify the shipping unit. Thus, Critelli fails to disclose, teach, or suggest “identifying said shipping unit by said customer using said shipment record.”

Further, newly added claim 34 is also believed to be in condition for allowance, as claim 36 includes yet another limitation not found in Critelli: that the step of “identifying said shipping unit further includes identifying said shipping unit and the items therein by said customer using said shipment record.” This amendment is proper, i.e. no new matter is being inserted into the

specification, as the use of the shipment record to identify the items within the shipping unit is supported by the application as originally filed. *See, e.g.*, Original Application, p. 39, ll. 20-25; p. 41, ll. 5-10.

As these limitations are not disclosed, taught, nor suggested by Critelli, it is believed that Claims 17 and 34 are in condition for allowance.

Regarding claim 18, not only does Critelli fail to disclose, teach, or suggest the limitations of claim 17 from which claim 18 depends; but also Critelli fails to disclose the additional limitation of “verifying content of said shipping unit using said listing of said items within said container in said shipment record.”

For instance, the Office Action states that “the contents of the shipping unit are verified using the listing of items on the shipping record” by col. 5, 2+ of Critelli and its abstract. But as stated above, Critelli has not shipment record, so it is not possible for a customer to verify the contents of the container using a non-existent shipment record.

Further, Critelli only “verifies” that the information appearing on the delivery receipt is the same as the information displayed on the tablet, regardless of the content of the container.

By the design of Critelli, the **identical** information that appears on the delivery receipt also appears on the device’s electronic display tablet because the source of information for both comes from information stored in memory 70 of the RF device. Critelli, col. 4 lines 64-67. This is tantamount to the user verifying only that the controller and tablet are functioning properly.

In Critelli, once the delivery receipt is printed, the addressee or recipient of the package or container is asked to compare the information on the delivery receipt with the information displayed on the tablet, without ever receiving the package. If the recipient agrees that the

information is the same, he or she is asked to sign the tablet indicating that this is so (col. 5 lines 2-12). It is only then that the recipient is actually delivered the package to review its contents. Critelli, col. 5, ll. 20-21. Further, as the recipient has no shipment record and therefore no way of knowing what items were actually shipped within the container, it is not possible for the recipient to verify that the items within the shipping unit are the same as the items originally shipped in the shipping unit.

Applicants' shipment record provides the customer with a means of identifying errors that occur during the shipment of goods (*see* application, page 6 lines 1-10). For example, a delivery person may deliver the wrong shipping unit to a retail store (page 3, lines 21-22). The Critelli device will not catch this error, as any item-identifying information will be displayed on both the electronic tablet and the printed delivery receipt. Because the Critelli recipient of the shipment only confirms that the information on the delivery receipt is the same as that on the electronic tablet, the recipient will sign the display tablet.

Further, and by way of example, a Critelli recipient will have no indication that the shipping unit itself was delivered to a wrong retail store (*see* Critelli, col. 4 lines 49-+, col. 5 lines 1-+).

In stark contrast, the Applicants' shipment record is created and sent independently to the retail store. Original Application, page 35, lines 6-23. Because the shipment record is independent of the information gathered from the delivered shipping unit or items contained therein, a mistaken delivery may be identified. This feature is not disclosed, suggested, nor taught by Critelli.

Regarding claim 19, Applicants respectfully submit that claim 19 is allowable. The Examiner rejected this claim because it is assumed that Critelli can discover a discrepancy in the shipment of goods. However, as stated above, Critelli does not disclose, suggest, nor teach the discovery of a discrepancy between the items to be delivered, and the items actually delivered. As stated above, Critelli cannot discover a discrepancy in the shipment of goods. Critelli asks the recipient to agree that the information contained on the delivery receipt is the same as the information displayed on the display tablet. However, by design, there can never be a "discrepancy" in the Critelli system unless the RF device fails. In the Critelli reference, both the delivery receipt and the display tablet draw its respective information from the same source: from memory 70 of the RF device (Critelli, col. 4 lines 64-67). Only a failure of the RF device - and not an incorrect delivery of a package or container -- will ever result in a discrepancy between the information contained on the delivery receipt and the information displayed on the display tablet. Thus, this limitation of claim 19 is not met. Further, the Office Action admits that:

With regard to claim 19, it is not expressly stated that discrepancies between the shipping unit contents and the shipping record are electronically recorded, however, in the case of discrepancies, the customer would not agree to the information on the shipping record and some record would be made of this, electronic or otherwise, as is common in the practice.

As the Office Action states that some record of a discrepancy would be made as is common in the practice, the rejection of this claim is based on facts within the personal knowledge of an employee of the Office. Applicants specifically request that this reference be supported, by the affidavit of such employee, under 37 C.F.R. 1.104(d)(2).

Additionally, as it is believed that amended claim 17, from which claim 19 depends, is allowable, so claim 19 is also believed to be in condition for allowance.

Regarding the rejection of claims 20 and 21, and as stated above, discrepancies between the shipping unit contents and the shipping record cannot be recorded in the Critelli reference, as Critelli fails to create a shipping record at all. Further, the Office Action states the a “customer would not agree to the information on the shipping record and some record would be made of this.” Office Action , p. 3. Applicants request the Examiner to provide a basis for this belief, under 37 C.F.R. 1.104(d), in light of the fact that the Critelli receipt has no shipping record from which to determine if a discrepancy exists. Thus, it is believed claims 20 and 21 are in condition for allowance.

As claim 17 is believed to be condition for allowance, dependent claims 18-25 are also believed to be in condition for allowance.

5. Claim 26 is rejected under 35 U.S.C. 103(a) as being unpatentable over Critelli et al. alone.

Critelli discloses a method for distributing a plurality of items from a storage location to a remote site (see abstract) that includes the steps of creating an electronic shipment record listing the items to be delivered (col. 3 line 28+, col. 4 line 27+), delivering the items to the remote site (abstract, col. 4 line 49+), and creating an electronic delivery record of the items delivered (col. 4 line 49+, col. 5 line 1+). It is not explicitly stated that the quantity of each of the items is listed or that discrepancies between the shipped and delivered quantities are recorded, however, it would be obvious to one skilled in the art that a variety of information could be included on the shipment and delivery records, including quantity and discrepancy information.

Furthermore, in the case of discrepancies the customer would not agree to the information on the shipping record (col. 5 line 4+), and some record would be made of this, as this is common practice.

Regarding claim 26, and as explained above, Critelli fails to disclose at least the following limitations of claim 26: “creating an electronic shipment record of said items to be delivered to said remote site,” “sending the shipment record to the remote site,” “creating an electronic delivery record using the shipment record,” and “identifying any differences between said shipping quantity and said delivered quantity.” For the foregoing reasons, it is believed that claim 26 is therefore in condition for allowance.

C. New Claims

Applicants have added new claims 27 - 50. These claims are proper, i.e. no new matter is being inserted into the specification, as these dependent claims are fully described in the specification as originally filed.

Claims 27-38 depend directly or indirectly from claim 17, which believed to be in condition for allowance, as amended. Claims 39 and 40 depend from claim 26, which is believed to be in condition for allowance. Thus, it is believed claims 27-40 are also in condition for allowance.

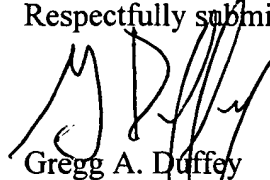
Independent claim 41 includes the limitations of “identifying the delivered container, and the items with within the container by using the shipment and invoice data, by the customer electronically reading the container identifier on the label of the container” and “reconciling the items received with the items shipped as stated on the shipment and invoice data.” As stated above, Critelli fails to disclose, teach, or suggest that the items within the container can be identified by reading the container identifier on the label of the container, or the reconciliation of the items shipped (as listed in the shipment and invoice data) with the items received. Thus, it is believed independent claim 41 is in condition for allowance.

Newly added claims 42-50 dependent directly or indirectly from claim 41. As claim 41 is believed to be in condition for allowance, claims 42-50 are also believed to be in condition for allowance.

D. Conclusion

The Examiner is invited to contact the undersigned attorney at 713.787.1478 with any questions, comments or suggestions relating to the referenced patent application.

Respectfully submitted,



Gregg A. Duffey
Reg. No. 42,501
Attorney for Applicants

HOWREY SIMON ARNOLD & WHITE, LLP
750 Bering Drive
Houston, TX 77057
713.787.1400

Date:

May 30, 2003